

**REMARKS**

Independent method Claim 5 and independent system Claim 19 are rewritten in independent form to contain all limitations of their respective preceding claims. Claims 5 and 19 are also amended in a further effort to define patentable subject matter over the art of record.

Claims 5, 9-14, and 19-22 remain, with no claim previously allowed.

All claim stand rejected under 35 USC § 103(a) as being unpatentable over the "admitted prior art" (hereinafter *APA*) as described in the background section on pages 1 and 2 of the Applicants' specification. The Applicants respectfully traverse that rejection as possibly applied to the remaining amended claims.

The method defined in amended Claim 5 now requires that when a shortage exists for the re-use status for a product type, and an excess of instances of in-service status exists for that product type, the method substitutes the excess of instances of in-service status for the shortage of instances of the re-use status in the current central inventory record. This substitution of excess in-service for short re-use occurs until the excess of the in-service status is depleted or the shortage of the re-use status is eliminated. (This aspect of the present invention is discussed in the specification at page 12, lines 18-25.)

Claim 5, as here amended, defines a method that is not readable on the *APA*. That *APA* discusses the background problems of maintaining and updating inventory records, including write-on and write-off instances that may be required to reconcile central inventory records, along with the problem of assigning price and vintage information to items lacking serialization in an existing inventory.

However, the *APA* does not describe or suggest the particular method of reconciling a current central inventory record, whether computer-implemented as in Claim 5 or otherwise, including the limitation added herein to Claim 5. That limitation requires, when a shortage exists for the re-use status for a product type and an excess of in-service status exists for that product type, substituting the excess in-service instances for the shortage of the re-use instances in the current central inventory record, until the excess of in-service status is depleted or the shortage of re-use status is eliminated. This limitation added to Claim 5, in combination with the other elements recited in that claim, defines a computer-implemented method of reconciling an inventory record that finds no teaching or suggestion whatsoever in the *APA*. Furthermore, the claimed method including that limitation would not have been inherent in the *APA*. For that reason, Claim 5 and the claims depending therefrom are patentable over the *APA*.

Independent system Claim 19 is also amended to include the above-described limitation dealing with a shortage for the re-use status and an excess of in-service status for a product type. For the reasons discussed above with respect to Claim 5, Claim 19 thus defines a system for reconciling a central inventory record that is not taught or suggested by the *APA*. One of ordinary skill, equipped only with the *APA* but lacking the particular teachings disclosed by the present Applicants, would not have had possession of the invention defined by Claim 19 or the claims depending therefrom. Accordingly, those claims are patentable over the *APA*.

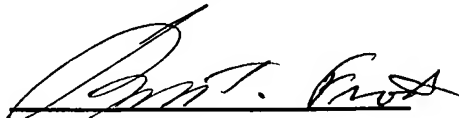
The undersigned notes the Examiner's repeated comment regarding "Applicant's arguments against the references individually". The undersigned does not understand the relevance of that comment, because the Examiner has not applied plural references to

reject a claim. The Examiner cites *In re Keller* and *In re Merck & Co.* to support the position that one cannot show non-obviousness by attacking references individually for whether rejections are based on combinations of references. *Keller* presented the court with two combinations of three references, and *Merck* involved an appeal from a rejection relying upon nine references. The court in *Merck* (at page 380) does indeed state that non-obviousness cannot be established by attacking references individually where the rejection is based upon the teachings of a combination of references. Those cases, however, must be understood in the context of rejections based on multiple numbers of references. The present rejection, in contrast with *Keller* and *Merck*, is based only on a single reference (*APA*) and the holdings of those cases are not germane to the issue of patentability present in the present application.

The foregoing is submitted as a complete response to the Office action identified above. The Applicants respectfully submit that the present application is in condition for allowance and solicit a notice to that effect.

Respectfully submitted,

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